

FISCAL NOTE

SB 784 - HB 1921

March 11, 2007

SUMMARY OF BILL: Requires watercraft in the state to be titled in the same manner as motor vehicles.

ESTIMATED FISCAL IMPACT:

**Increase State Revenues – \$1,863,000/For the first three years
following enactment/Wildlife Fund
\$709,000/Fourth year after enactment
and thereafter/Wildlife Fund
Increase State Expenditures – \$893,000/Recurring/Wildlife
Fund
\$187,000/One-Time/Wildlife Fund**

**Increase Local Govt. Revenues - \$897,000/For the first three
years following enactment
\$342,000/Fourth year after
enactment and thereafter
Increase Local Govt. Expenditures – Less than \$100,000***

Assumptions:

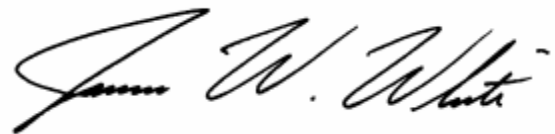
- Approximately 271,000 boats were registered in 2006.
- Approximately 29,000 boats were transferred in 2006.
- Approximately 19,000 new boats were purchased in 2006.
- Approximately 90,000 boat renewals in 2006.
- 5% of all boats receive a duplicate title.
- 5% of all boats have a new lien each year.
- 2% of all boats require a new title due to an invalid or destroyed Hull Identification Number (HIN).
- All watercraft would be required to be registered by July 1, 2011.
- Local governments would receive \$6.50 for each title forwarded and received by county clerks.
- Local governments would receive \$3.50 for each duplicate title issued by the county clerk.
- TWRA would receive \$13.50 for each title issued.

- TWRA would receive \$10.00 for each new lien noted and for each duplicate title issued.
- TWRA would receive \$13.50 for each title issued due to a destroyed HIN.
- An increase in local government expenditures to implement the provisions of the bill. Such increase is estimated to be less than \$100,000.
- Any increase in local government revenues and expenditures related to the misdemeanor provisions of the bill are estimated to be not significant.
- TWRA will require additional staff and related recurring supply needs which total \$893,000 in recurring expenditures to the state.
- TWRA will need computers and other items related to the start-up of the titling program resulting in a one-time increase in state expenditures of \$186,000.
- The program will be self funding for the first three years of the program, on the fourth year and thereafter, there is estimated to be an operating deficit of \$184,000 per year.
- Of the estimated \$897,000 in new revenue that local governments will receive during the first three years following enactment of the bill, \$276,000 will be earmarked for computer related expenses of county clerks.
- Of the estimated \$342,000 in new revenue that local governments will receive in the fourth year after enactment and thereafter, \$107,500 will be earmarked for computer related expenses.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director